

Message Text

CONFIDENTIAL POSS DUPE

PAGE 01 STATE 034136

41

ORIGIN AF-03

INFO OCT-01 ISO-00 /004 R

66011

DRAFTED BY AF/W-GADIES:DFE

APPROVED BY AF/W-TWMSMITH

----- 068626

R 130153Z FEB 76

FM SECSTATE WASHDC

INFO USMISSION USUN NEW YORK 0000

C O N F I D E N T I A L STATE 034136

FOL RPT STATE 34136 ACTION COTONOU INFO ABIDJAN
NIAMEY 12 FEB.

QUOTE

C O N F I D E N T I A L STATE 034136

E.O. 11652: GDS

TAGS: EAID, DM, US

SUBJECT: COTONOU BRIDGE/DAM PROJECT

REF: A) COTONOU 186; B) COTONOU 197

1. REGARDING EMBASSY'S RECOMMENDATIONS IN RESPONSE TO
FONMIN'S LATEST REQUEST FOR ACTION ON SUBJECT PROJECT
(PARA 13, REF A), YOU SHOULD REQUEST APPOINTMENT WITH
ALLADAYE, REVIEW SITUATION ALONG LINES SUMMARIZED BELOW,
AND LEAVE AIDE-MEMOIRE (TEXT BELOW). AIDE-MEMOIRE CON-
FIRMS THAT USG HAS SUSPENDED ACTION ON THE NEW BRIDGE
PENDING RESULTS OF REVIEW NOW UNDERWAY. UNDER PRESENT
CIRCUMSTANCES, USG DOES NOT RPT NOT PLAN WITHHOLD FUNDS
FOR SUPERVISORY ENGINEERING SERVICES RELATED TO AFDB-
FINANCED CONSTRUCTION OF DAM AND REPAIRS TO EXISTING
BRIDGE, AT LEAST FOR INITIAL PHASE OF CONSTRUCTION OF
CONFIDENTIAL
CONFIDENTIAL

PAGE 02 STATE 034136

NEW DAM.

2. YOU SHOULD STATE ORALLY THAT THERE IS NO LIST OF COUNTRIES REGARDING WHICH THE US INTENDS REEXAMINE AID POLICIES. YOU SHOULD EMPHASIZE THAT US POLICY HAS NOT CHANGED. THE US GOVERNMENT WILL CONTINUE AS IT HAS IN THE PAST TO TAKE NOTE OF THE ACTIONS AND STATEMENTS OF OTHER COUNTRIES THAT EFFECT MAJOR US INTERESTS. AS

IN THE PAST THESE ACTIONS AND STATEMENTS WILL INFLUENCE OUR OVERALL RELATIONS.

3. YOU MAY ALSO STATE THAT THE UTILITY OF SENDING A SPECIAL AID REPRESENTATIVE TO COTONOU IS UNDER STUDY BUT THAT WE BELIEVE THE SUMMARY IN THIS AIDE-MEMOIRE SHOULD CLARIFY THE SITUATION FOR THE GOVERNMENT OF BENIN.

4. AID/W OFFICIALS MET WITH SANDERS AND THOMAS AND NELLO TEER REPS FEB. 6 TO DISCUSS CURRENT STATUS OF PROJECT. AID/W INFORMED THEM AT THAT TIME OF DECISION TO ALLOW AMENDMENT NO. 2 TO S AND T CONTRACT TO PROCEED.

5. DEPT PLANS TO CALL IN AMBASSADOR BOYA FOR REVIEW OF US-BENIN RELATIONS, AND WILL GIVE HIM COPY OF AIDE-MEMOIRE.

6. SEPTTEL FOLLOWS CONCERNING VISIT OF AID OFFICIAL TO COTONOU.

7. FOLLOWING IS TEXT OF AIDE-MEMOIRE ON WHICH YOU SHOULD BASE YOUR PRESENTATION, AND THEN LEAVE WITH FONMIN ALLADAYE AT EARLIEST OPPORTUNITY.

A. BEGIN QUOTE ON JUNE 25, 1974 THE AGENCY FOR INTERNATIONAL DEVELOPMENT AGREED TO LEND THE GOVERNMENT OF THE REPUBLIC OF DAHOMEY AN AMOUNT NOT TO EXCEED 10.9 MILLION DOLLARS TO FINANCE (A) THE SUPERVISORY ENGINEERING SERVICES AND CONSTRUCTION OF A NEW BRIDGE ACROSS THE COTONOU LAGOON AND (B) SUPERVISORY ENGINEERING SERVICES FOR THE CONSTRUCTION OF A DAM NEAR THE MOUTH OF THE LAGOON AND REPAIRS TO THE EXISTING BRIDGE.
CONFIDENTIAL
CONFIDENTIAL

PAGE 03 STATE 034136

B. THE LOAN AGREEMENT STATES INTER ALIA THAT DISBURSEMENT OF LOAN FUNDS IS SUBJECT TO US LEGISLATION GOVERNING THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

C. UNDER THE TERMS OF THE US FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, THE USG IS OBLIGED TO SUSPEND ASSISTANCE TO INNER QUOTE THE GOVERNMENT OF ANY COUNTRY WHEN THE GOVERNMENT OF SUCH COUNTRY HAS NATIONALIZED OR EXPROPRIATED OR SEIZED OWNERSHIP OF PROPERTY OWNED BY

ANY UNITED STATES CITIZEN OR CORPORATION, AND SUCH COUNTRY FAILS WITHIN A REASONABLE TIME (NOT MORE THAN SIX MONTHS AFTER SUCH ACTION), TO TAKE APPROPRIATE STEPS, WHICH MAY INCLUDE ARBITRATION, TO DISCHARGE ITS OBLIGATIONS UNDER INTERNATIONAL LAW TOWARDS SUCH CITIZEN OR ENTITY, INCLUDING SPEEDY COMPENSATION FOR SUCH PROPERTY IN CONVERTIBLE FOREIGN EXCHANGE, EQUIVALENT TO

THE FULL VALUE THEREOF, AS REQUIRED BY INTERNATIONAL LAW END INNER QUOTE. THIS PROVISION, THE SO CALLED HICKEN-LOOPER AMENDMENT, HAS BEEN IN EFFECT SINCE 1962.

D. ON DECEMBER 4, 1974 THE GOVERNMENT OF DAHOMEY NATIONALIZED THE BUSINESSES OF TWO AMERICAN FIRMS (TEXACO AND MOBIL). IN THE FOURTEEN MONTHS SINCE THESE BUSINESSES WERE NATIONALIZED VIRTUALLY NO PROGRESS HAS BEEN MADE ON THE QUESTION OF COMPENSATION FOR THESE FIRMS. THE EMBASSY IN COTONOU HAS REPEATEDLY RAISED THIS MATTER WITH THE FOREIGN AFFAIRS MINISTER, THE MINISTER OF FINANCE AND THE MINISTER OF COMMERCE, INDUSTRY, AND TOURISM. TO DATE THE EMBASSY HAS NOT RECEIVED ANY FORMAL REPLY TO ITS INQUIRIES ON THE STATUS OF COMPENSATION NOR HAS IT RECEIVED THE NOTE PROMISED BY THE MINISTER OF FOREIGN AFFAIRS ON JANUARY 27 RELATIVE TO THE LATEST CORRESPONDENCE BETWEEN THE GOVERNMENT OF THE PRB AND THE AMERICAN COMPANIES INVOLVED.

E. THE LACK OF ANY DEMONSTRABLE PROGRESS TOWARDS THE SETTLEMENT OF THE CLAIM HAS LED THE US GOVERNMENT TO EXAMINE CAREFULLY THE ELIGIBILITY OF BENIN FOR DISBURSEMENTS UNDER THE LOAN AGREEMENT. PENDING THE RESULTS OF
CONFIDENTIAL
CONFIDENTIAL

PAGE 04 STATE 034136

THIS REVIEW, THE US GOVERNMENT HAS SUSPENDED ACTION ON THE FUNDING OF THE CONSTRUCTION OF THE NEW BRIDGE AT COTONOU. THE SUSPENSION OF ACTION ON THE FUNDING OF THE BRIDGE IS DIRECTLY ATTRIBUTABLE TO THE INACTION OF THE GOVERNMENT OF BENIN REGARDING THE CLAIMS OF US COMPANIES.

F. IT IS MOST DESIRABLE THAT THE OBSTACLES TO PROGRESS TOWARDS MEETING THESE CLAIMS SHOULD BE REMOVED AS SOON AS POSSIBLE. BY DECEMBER 19, 1975 THE ONLY ACCEPTABLE BID RECEIVED BY THE PRB FOR THE CONSTRUCTION OF THE BRIDGE WAS FAR IN EXCESS OF THE FUNDS ALLOCATED FOR THIS PURPOSE IN THE ORIGINAL LOAN AGREEMENT. AID IS NOT PREPARED TO REQUEST THE US CONGRESS FOR ADDITIONAL FUNDS FOR THE PROJECT IN EXCESS OF THE AMOUNT SPECIFIED IN THE LOAN AGREEMENT. THEREFORE, EITHER THE SCOPE OF THE PROJECT MUST BE REDUCED, OR NEW FUNDS MUST BE FOUND. FURTHERMORE, UNDER THE TERMS OF THE LOAN AGREEMENT, THE

CONDITIONS PRECEDENT, INCLUDING THE EXECUTION OF A CONTRACT MUST BE FULFILLED WITHIN SIX MONTHS. THIS DEADLINE HAS TWICE BEEN EXTENDED, AND IS NOW MAY 15, 1976. IN VIEW OF THE PROLONGED DELAYS THIS PROJECT HAS ENCOUNTERED, IF ADEQUATE FUNDING FOR THE CONSTRUCTION FOR THE NEW BRIDGE IS NOT OBTAINED BY MAY 15, 1976 THE FUNDS CURRENTLY AVAILABLE FOR THE CONSTRUCTION OF THE NEW BRIDGE WILL BE DEOBLIGATED.

G. BECAUSE OF ITS SPECIAL RELATIONSHIP TO THE AFDB-FINANCED PORTION OF THE PROJECT, THE AGENCY FOR INTERNATIONAL DEVELOPMENT HAS NOT SUSPENDED THE DISBURSEMENT OF FUNDS FOR THE SUPERVISORY ENGINEERING SERVICES FOR THE DAM AND THE REPAIRS TO THE OLD BRIDGE ALTHOUGH US LEGISLATION MAY STILL REQUIRE THE SUSPENSION OF DISBURSEMENT OF THESE FUNDS IF THE BENINESE GOVERNMENT DOES NOT MAKE SATISFACTORY PROGRESS TOWARD SETTLEMENT OF THE CLAIMS OF THE TWO AMERICAN COMPANIES. END QUOTE

INGERSOLL

UNQUOTE SISCO

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, AIDE MEMOIRE, BRIDGES (STRUCTURES), DAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE034136
Document Source: CORE
Document Unique ID: 00
Drafter: GADIES:DFF
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760058-0240
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760250/aaaabrmz.tel
Line Count: 190
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 COTONOU 186, 76 COTONOU 197
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 14 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 MAY 2004 by ShawDG>; APPROVED <08 SEP 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COTONOU BRIDGE/DAM PROJECT
TAGS: EAID, ECRE, DM, US
To: USUN NEW YORK
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006